

House Finance, Ways & Means Committee Amendment No. 1

Amendment No. 41 to HB7001

**Fitzhugh
Signature of Sponsor**

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMEND Senate Bill No. 7001*

House Bill No. 7001

By deleting each and every section of House Bill No. 7001 and by substituting instead new sections 1 through 43, namely:

Sections 1 through 43 of House Bill No. 7001, as filed for introduction on January 5, 2006; and considered to be part of this amendment.

AND FURTHER AMEND By adding the following language after the first sentence in subdivision (a)(2)(A) in § 2-10-107 in Section 4 of the bill:

When a candidate or the treasurer of political campaign committee shows that best efforts have been used to obtain, maintain and submit the complete address, occupation, and employer required for contributors, the statement shall be considered in compliance with this subdivision. "Best efforts" shall include notifying the contributor by first class mail that further information concerning such contributor is required under state law or by including on a written solicitation for contributions a clear request for the contributor's name, address, occupation and employer and accurately stating such information is required under state law for all persons contributing more than one hundred dollars (\$100). The registry of election finance shall, by rule, further define and set guidelines for what is also considered "best efforts".

AND FURTHER AMEND by adding the following language after the first sentence in subdivision (c)(1)(B) in § 2-10-107 in Section 4 of the bill:

When a candidate or the treasurer of political campaign committee shows that best efforts have been used to obtain, maintain and submit the complete address, occupation, and employer required for contributors, the statement shall be considered in compliance with this subdivision. "Best efforts" shall include notifying the contributor by first class mail that further information concerning such contributor is required under state law or by including on a written solicitation for contributions a clear request for the

contributor's name, address, occupation and employer and accurately stating such information is required under state law for all persons contributing more than one hundred dollars (\$100). The registry of election finance shall, by rule, define and set guidelines for what is considered "best efforts".

AND FURTHER AMEND by inserting the language "or by the qualifying deadline for election, whichever is earlier," after the language "becomes final" and before the language "the candidate owing" in subdivision (c)(2) of designated § 2-10-110 in SECTION 6 of the bill.

AND FURTHER AMEND by adding the following language as a new, appropriately designated subdivision to subdivision (b)(2) in § 2-10-114 in SECTION 8 of the bill:

(_) Weddings or wedding related expenses;

AND FURTHER AMEND by deleting § 2-10-114(b)(2)(H) from SECTION 8, and by substituting instead the following language:

(H) Admission to a sporting event, concert, theater, activity, charitable event or other form of entertainment, unless the event is an expense associated with a legitimate campaign or officeholder activity where the tickets to such event are provided to students attending schools, guests or constituents of the candidate or officeholder, or persons involved in the candidate's or officeholder's campaign;

AND FURTHER AMEND by adding the following language as a new, appropriately designated subdivision of § 2-10-114(a) in SECTION 8:

(_) The funds may be distributed to any institution of public or private education in the state for the purpose of establishing a scholarship trust or program or supplementing the funds of an existing scholarship trust or program;

AND FURTHER AMEND by adding the following as a new, appropriately designated section:

SECTION __. Tennessee Code Annotated, Section 2-10-302, is amended by deleting subsection (b) and substituting instead the following:

(b) No multicandidate political campaign committee shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:

(1) For an office elected by statewide election, seven thousand five hundred dollars (\$7,500); and

(2) For any other state or local public office, two thousand five hundred dollars (\$2,500).

AND FURTHER AMEND By adding the following as new, appropriately designated sections:

SECTION __. Tennessee Code Annotated, Section 2-10-122(1), is amended by deleting the language “The term “consulting services” does not mean the practice or business of law in connection with representation of clients by a licensed attorney in a contested case action, administrative proceeding or rule making procedure;” and substituting instead the language “The term “consulting services” does not mean the representation of clients in a contested case action, administrative proceeding or rule making procedure by any person otherwise authorized by law to represent such clients;”.

SECTION __. Tennessee Code Annotated, Section 2-10-122(2), is amended by deleting the language ““Consulting services’ does not mean the practice or business of law in connection with representation of clients by a licensed attorney in a contested case action, administrative proceeding or rule making procedure;” and substituting instead the language ““Consulting services’ does not mean the representation of clients in a contested case action, administrative proceeding or rule making procedure by any person otherwise authorized by law to represent such clients;”.

AND FURTHER AMEND by deleting from § 3-6-301(15) of SECTION 33 the language “a duly licensed attorney at law acting in a representative capacity on behalf of a client appearing before an official of the executive branch for the purpose of determining or obtaining such person’s legal rights or obligations in a contested case action, administrative proceeding, or rule making procedure;” and substituting instead the language “a person, otherwise authorized by law, acting in a representative capacity on behalf of a client appearing before an official of the executive branch for the purpose of determining or obtaining such person’s legal rights or obligations in a contested case action, administrative proceeding, or rule making procedure;”

AND FURTHER AMEND By deleting SECTION 16 of the bill and substituting instead the following:

SECTION 16. Tennessee Code Annotated, Title 2, Chapter 10, Part 3, is amended by adding the following as a new, appropriately designated section:

2-10-3__.

(a) No person shall make cash contributions to any candidate with respect to any election which, in the aggregate, exceed fifty dollars (\$50.00).

(b) No person shall make cash contributions to any political campaign committee or multicandidate political campaign committee with respect to any election which, in the aggregate, exceed fifty dollars (\$50.00).

(c) No political campaign committee or multicandidate political campaign committee shall make cash contributions to any candidate with respect to any election.

(d) No political campaign committee or multicandidate political campaign committee shall make cash contributions to any other political campaign committee or multicandidate political campaign committee with respect to any election.

AND FURTHER AMEND by deleting the first sentence of subdivision (c)(1) in § 2-10-105 in SECTION 2 of the bill and substituting instead the following:

The statements required by subsections (a) and (b) of each candidate, each single candidate political campaign committee, single measure political campaign or multicandidate political campaign committee shall be filed quarterly during an election year, within ten (10) days following the conclusion of the quarterly periods ending March 31, June 30, September 30, and January 15.

AND FURTHER AMEND by deleting the language “The ending date of the January 31 reporting period is December 31.” in subdivision (c)(3) in § 2-10-105 in SECTION 2 of the bill and substituting instead the language “The ending date of the January 31 reporting period is January 15.”

AND FURTHER AMEND by deleting SECTIONS 19 and 20 in the bill and substituting instead the following:

SECTION 19. Tennessee Code Annotated, Section 2-10-310(a)(1), is amended by deleting the language "the conclusion of the regular session in even years," and by substituting instead the following language:

the conclusion of the regular session in even years, and from the convening of the general assembly in any extraordinary session through the conclusion of such extraordinary session,

SECTION 20. Tennessee Code Annotated, Section 2-10-310(b), is amended by deleting the language "the conclusion of the regular session in even years," and by substituting instead the following language:

the conclusion of the regular session in even years, and from the convening of the general assembly in any extraordinary session through the conclusion of such extraordinary session,

AND FURTHER AMEND by deleting subsection (i) in § 3-6-304 in SECTION 33 of the bill and substituting instead the following:

(i) No employer of a lobbyist or multicandidate political campaign committee controlled by an employer of a lobbyist shall make a contribution to a candidate for the office of governor or member of the general assembly during the time that the general assembly is in a regular annual legislative session or in extraordinary session.

AND FURTHER AMEND By deleting SECTION 21 of the bill and substituting instead the following:

SECTION 21. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following as a new, appropriately designated section:

§ 2-10-1__.

Notwithstanding any other provision of law to the contrary, any candidate who has a previous campaign account with an outstanding balance and who chooses to apply contributions to such previous campaign account, shall not exceed the campaign contribution limits in title 2, chapter 10, part 3 for the election cycle during which such candidate accepts the contribution regardless of whether such candidate applies the

amount to the previous campaign account or to the current campaign account. Under no circumstances shall the candidate exceed the contribution limits for the election cycle to which the previous campaign account with an outstanding balance applies.

AND FURTHER AMEND by deleting Section 22 of the printed bill.

AND FURTHER AMEND By deleting SECTION 23 of the bill and substituting instead the following:

SECTION 23. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following as a new, appropriately designated section:

2-10-1__.

(a) Each person or persons who make a disbursement or incur an obligation for the costs of producing or disseminating electioneering communications in an aggregate amount in excess of five thousand dollars (\$5,000) during any calendar year shall, within twenty-four (24) hours of each disclosure date, file with the registry of election finance, a statement containing the information described in subsection (b).

(b) Each statement disclosing electioneering communications must include:

(1) The identification of the person who made the disbursement, or who incurred the obligation to make a disbursement, and the person's principal place of business if the person is not an individual;

(2) The identification of any person sharing or exercising direction or control over the activities of the person who made the disbursement or incurred the obligation;

(3) The identification of the custodian of books and accounts from which the disbursements were made;

(4) The amount of each disbursement or amount obligated in excess of two hundred dollars (\$200) during the period covered by the statement, the date of the disbursement, or the date the obligation was incurred, and the person who received the funds;

(5) All clearly-identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) The disclosure date; and

(7) The name and address of each donor who, since either the first day of the preceding calendar year or since the preceding disclosure date, has donated or pledged to donate in the aggregate one hundred dollars (\$100) or more to the person making the disbursements, or to the separate segregated bank account if the disbursements were paid exclusively from that bank account.

(c) For the purposes of this section:

(1) "Electioneering communication" means any print, broadcast, cable or satellite communication which:

(A) Refers to a clearly identified candidate for state office. An electioneering communication refers to a clearly identified candidate for state office if it contains the candidate's name, nickname or image, or makes any unambiguous reference to the person or such person's status as a candidate; and

(B) Is made within fifty (50) days of an election for the office sought by the candidate.

(2) "Electioneering communication" does not include:

(A) A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political campaign committee or candidate;

(B) A communication which constitutes an expenditure or an independent expenditure under this chapter; or

(C) Any communication by a state or local political party or caucus of such political party established by members of either house of the general assembly for which the disbursements are disclosed in a report pursuant to § 2-10-105(i) and any other communication exempted under such rules as the registry may promulgate to ensure appropriate implementation of this section.

(3) "Disclosure date" means the date on which a person or persons make disbursements or incur obligations for the direct costs of producing and airing electioneering communications aggregating in excess of five thousand dollars (\$5,000). The date of any subsequent disbursement or obligation of any amount shall be a separate disclosure date.

AND FURTHER AMEND by deleting from § 3-6-103 (b)(2) of SECTION 24 the language “, or any member of such person’s immediate family as defined in § 3-6-301,”.

AND FURTHER AMEND by deleting § 3-6-103(h) of SECTION 24 in its entirety and by substituting instead the following:

(h)

(1) No member of the commission shall, during such membership:

(A) Be allowed to hold or qualify for elective office to any state or local public office, as defined in § 2-10-102;

(B) Be an employee of the state or any political subdivision of the state;

(C) Be an officer of any political party or political committee;

(D) Permit such member’s name to be used, or make campaign contributions, in support of or in opposition to any candidate or proposition, except that a member’s immediate family, as defined in § 3-6-301, may make campaign contributions in support of or in opposition to any candidate or proposition. If an immediate family member of a commission member permits such family member’s name to be used, or makes campaign contributions, in support of or in opposition to any candidate or proposition then the member shall recuse himself or herself on any issue pertaining to the candidate or proposition;

(E) Participate in any way in any election campaign, except that a member's immediate family, as defined in § 3-6-301, may participate in election campaigns. If an immediate family member of a commission member participates in any way in any election campaign then the member shall recuse himself or herself on any issue pertaining to such election campaign; or

(F) Lobby or employ a lobbyist, except that a member's immediate family, as defined in § 3-6-301 is not prohibited from lobbying or employing a lobbyist. If an immediate family of a commission member, lobbies or employs a lobbyist, then the member shall recuse himself or herself on any issue pertaining to such lobbyist.

(2) No immediate family member, as defined in § 3-6-301, of a member of the commission shall during such membership be allowed to hold or qualify for elective office to any state or local public office, as defined in § 2-10-102.

AND FURTHER AMEND by adding the following new sections immediately preceding the penultimate section and by renumbering the subsequent section accordingly:

SECTION _____. Tennessee Code Annotated, Section 2-10-203(h), is amended as follows:

(1) by deleting the semi-colon at the end of subdivision (3) and adding the following language:

, except that a member's immediate family, as defined in § 3-6-301, may make campaign contributions in support of or in opposition to any candidate or proposition. If an immediate family member of a member of the registry permits such family member's name to be used, or makes campaign contributions, in support of or in opposition to any candidate or proposition then the member shall recuse himself or herself on any issue pertaining to the candidate or proposition;

(2) by deleting the language “; or” at the end of subdivision (4) and adding the following language:

, except that a member's immediate family, as defined in § 3-6-301, may participate in election campaigns. If an immediate family member of a member of the registry participates in any way in any election campaign then the member shall recuse himself or herself on any issue pertaining to such election campaign;

(3) by deleting the period at the end of subdivision 5 and adding the following language:

, except that a member's immediate family, as defined in § 3-6-301, is not prohibited from lobbying or employing a lobbyist. If an immediate family of a member of the registry, lobbies or employs a lobbyist, then the member shall recuse himself or herself on any issue pertaining to such lobbyist; or

(4) by adding the following language as a new subdivision (6):

(6) Be an employee of the state or any political subdivision of the state.

(5) by adding the following language at the end of subsection (h):

No immediate family member, as defined in § 3-6-301, of a member of the registry shall during such membership be allowed to hold or qualify for elective office to any state or local public office, as defined in § 2-10-102.

SECTION _____. Tennessee Code Annotated, Section 2-10-203, is amended by adding the following language at the end of subsection (a)

No person shall be appointed to the registry if such person, or any member of such person's immediate family, as defined in § 3-6-301, is announced as a candidate for public office, holds public office, or is a member of a political party's state executive committee.

AND FURTHER AMEND by deleting from § 3-6-103 (j)(1) of SECTION 24 the language "or such member's immediate family, as defined in § 3-6-301".

AND FURTHER AMEND by deleting from § 3-6-103 (j)(2) of SECTION 24 the language “or any of such member’s immediate family, as defined in § 3-6-301,”.

AND FURTHER AMEND by deleting from § 3-6-103 (j)(3) of SECTION 24 the language “or such former member’s immediate family, as defined in § 3-6-301,”.

AND FURTHER AMEND by adding the following language as a new subsection (c) in section 3-6-112 in Section 24 of the bill:

(c) In addition to any other manuals or guides prepared and published by the commission, the commission shall provide a manual for supervisory personnel of the executive branch that includes ethics statutes and administrative regulations relevant to such personnel, explanations of purposes and principles underlying the laws, explanations of technical and specific legal requirements, examples of practical applications of the laws and principles, a questions-and-answers section regarding common problems and situations, summaries of advisory opinions, and any other information which would inform supervisory personnel of the executive branch about ethics laws and regulations and assist them in applying those laws and regulations to specific situations. The manual may be distributed to supervisory personnel, and shall be made available to the public, by posting the manual on the commission’s web site.

AND FURTHER AMEND By adding the following language in Section 24, § 3-6-107, to the end of subdivision (1):

The Tennessee ethics commission shall also promulgate rules and regulations pertaining to the protection and safeguarding of audit and investigatory information to include commercial privacy, trade secrets, copyrights, patent information, and other such matters;

AND FURTHER AMEND by adding the following language as a new subsection (c) in section 3-6-113 in Section 24 of the bill:

(c) In addition to any other manuals or guides prepared and published by the commission, the commission shall provide a manual for members of the

general assembly that includes ethics statutes and administrative regulations relevant to members, explanations of purposes and principles underlying the laws, explanations of technical and specific legal requirements, examples of practical applications of the laws and principles, a questions-and-answers section regarding common problems and situations, summaries of advisory opinions, and any other information which would inform members about ethics laws and regulations and assist them in applying those laws and regulations to specific situations. The manual may be distributed to members of the general assembly, and shall be made available to the public, by posting the manual on the commission's web site.

AND FURTHER AMEND by adding the following language as a new subsection (c) in section 3-6-114 in Section 24 of the bill:

(c)

(1) In addition to any other manuals or guides prepared and published by the commission, the commission shall provide a manual for lobbyists and employers of lobbyists that includes ethics statutes and administrative regulations relevant to lobbyists and employers of lobbyists, explanations of purposes and principles underlying the laws, explanations of technical and specific legal requirements, examples of practical applications of the laws and principles, a questions-and-answers section regarding common problems and situations, summaries of advisory opinions, and any other information which would inform lobbyists and employers of lobbyists about ethics laws and regulations and assist them in applying those laws and regulations to specific situations. The manual may be distributed to lobbyists and employers of lobbyists, and shall be made available to the public, by posting the manual on the commission's web site.

(2) No lobbyist shall engage in lobbying activities on the behalf of any employer of a lobbyist prior to delivering the manual for lobbyists and employers of lobbyists to such potential employer and obtaining verification from the potential employer or an authorized agent of the potential employer that the manual has been delivered as required by this section. Such verification shall be filed with the commission no later than seven (7) days after the person or entity becomes the employer of the lobbyist. The commission shall create a form to carry out the purposes of this section and shall post the form on the commission's web site.

AND FURTHER AMEND by inserting the following language in § 3-6-110 of SECTION 24 following the first sentence:

Provided that the commission shall petition the chancery court through the attorney general and reporter or its own legal counsel for enforcement of its order of any unpaid fee or penalty assessed by the commission, including its order requiring the complainant to reimburse the alleged violator for any reasonable costs and attorney fees the alleged violator has incurred upon the determination of the commission of no probable cause.

AND FURTHER AMEND by inserting the following language after the language "the governor," in subsection (a) of the undesignated section in Section 31 of the bill:

secretary of state, treasurer, or comptroller of the treasury,

AND FURTHER AMEND by inserting the following language after the language "the governor," in subsection (a) of the undesignated section in Section 32 of the bill:

the secretary of state, treasurer, or comptroller of the treasury,

AND FURTHER AMEND by adding the following language at the end of SECTION 33, 3-6-301(7):

"Compensation" does not include the salary or reimbursement of an individual whose lobbying is incidental to such person's regular employment;

AND FURTHER AMEND by deleting the following language from SECTION 33, § 3-6-301(15):

or an employee of a department, agency or entity of state, county or municipal government; provided, however, if the department, agency or entity employs, retains or otherwise arranges for lobbyist services by a contractor, subcontractor or other representative, who is not an employee of the department, agency or entity, then "lobby" includes communications by such representative;

and by substituting instead the following language:

or an employee of a school board, municipal utility, utility district, or any department, agency or entity of state, county or municipal government; provided, however, if the board, utility, district, department, agency or entity employs, retains or otherwise arranges for lobbyist services in this state by a contractor, subcontractor or other representative, who is not an employee of such board, utility, district, department, agency or entity, then "lobby" includes communications by such contractor, subcontractor or other representative and such contractor, subcontractor or other representative shall comply with the lobbying registration and other provisions of this chapter pertaining to lobbyists; provided further, however, the board, utility, district, department, agency or entity which employs such contractor, subcontractor or other representative is not deemed to be an employer of a lobbyist for purposes of this chapter;

AND FURTHER AMEND by deleting SECTION 33, §§ 3-6-302(b)(2)(D) and 3-6-308(a)(8)(D).

AND FURTHER AMEND by adding the language “, including the lobbyist's current photographic portraits,” after the language “Employer and lobbyist registration statements, as may be amended,” in § 3-6-302(f) in SECTION 33 of the bill as introduced.

AND FURTHER AMEND by deleting §3-6-303(a)(1)(K) in Section 33 and by substituting instead the following:

(K) \$400,000 or more; provided, however, if the aggregate total amount is reported within this range, then the employer shall round such aggregate total amount to the nearest \$50,000 and also report the rounded amount within the disclosure report;

AND FURTHER AMEND by deleting §3-6-303(a)(2)(K) in Section 33 and by substituting instead the following:

(K) \$400,000 or more; provided, however, if the aggregate total amount is reported within this range, then the employer shall round such aggregate total amount to the nearest \$50,000 and also report the rounded amount within the disclosure report; and

AND FURTHER AMEND by deleting SECTION 33, § 3-6-304(k) and by substituting instead the following:

(k) No lobbyist, shall host any event to solicit, facilitate or provide campaign contributions for the governor or any member of the general assembly or any candidate for the office of governor, state senator or state representative at such lobbyist's home or office.

AND FURTHER AMEND by adding the following sentence at the end of Section 33, § 3-6-304(n):

No legislative liaison of any department, agency or entity of state government shall also serve as a member of any state board, commission or similar entity.

AND FURTHER AMEND by deleting Section 33, § 3-6-307, and by substituting instead the following:

§ 3-6-307.

(a) Notwithstanding any provision of this chapter to the contrary, if a person receives as compensation for lobbying only reimbursement for actual out-of-pocket personal expenses, and if the person receives five hundred dollars (\$500) or less of such reimbursement per year, then such person is not a lobbyist for purposes of this chapter or § 67-4-1702(a)(1).

(b) Notwithstanding any provision of this chapter to the contrary, if a person receives as compensation for lobbying only reimbursement for actual out-of-pocket personal expenses, and if such person receives more than five hundred dollars (\$500) of such reimbursement per year, then such person shall register as a lobbyist and shall

comply with all lobbyist requirements imposed pursuant to this chapter, but shall be exempt from payment of the occupational privilege tax on lobbyists imposed by § 67-4-1702(a)(1).

(c) Notwithstanding any provision of this chapter to the contrary, if an individual or entity employs, retains or otherwise arranges for one or more persons to engage in lobbying for compensation, and if the only compensation paid to such person or persons is reimbursement for actual out-of-pocket personal expenses, and if the amount of such reimbursement does not exceed five hundred dollars (\$500) per person per year, then such individual or entity is not an employer of a lobbyist for purposes of this chapter.

(d) For purposes of this section, the term "out-of-pocket personal expenses" includes such things as the lobbyist registration fee, legislative information services material, copying expenses, transportation costs, parking fees and food expenses incurred while actually engaging in lobbying. Reimbursement for transportation, parking, and food costs shall be limited to expenses allowed for such items in the comprehensive state travel regulations. No such reimbursed expenses shall be for the benefit of any public official except for informational materials delivered to public officials.

AND FURTHER AMEND by deleting from SECTION 33, § 3-6-308(a)(7), the language "at least two percent (2%) of all employers of lobbyists and".

AND FURTHER AMEND by adding the following language at the end of SECTION 33, § 3-6-308(a)(7):

Upon finding probable cause exists to believe that an employer of a lobbyist may have violated the provisions of this chapter, the commission may audit the registration statements, amendments to registration statements and reports of such employer of a lobbyist;

AND FURTHER AMEND By deleting § 3-6-309 in Section 33 in its entirety.

AND FURTHER AMEND By adding the following language as a new appropriately designated section:

SECTION _____. Tennessee Code Annotated, Title 8, is amended by adding the following language as a new appropriately designated chapter:

Section _____. It is the intent of the general assembly that the integrity of the processes of local government be secured and protected from abuse. The general assembly recognizes that holding public office and public employment is a public trust and that citizens of Tennessee are entitled to an ethical, accountable and incorruptible government.

Section _____.

(a) As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the Tennessee ethics commission;

(2) "County" means a county, metropolitan or consolidated government, inclusive of any boards, commissions, authorities, corporations or other instrumentalities appointed or created by the county or an official thereof. Furthermore, for the purpose of this chapter, the county election commission shall be considered an instrumentality of county government and the administrator of elections and other employees of the election commission shall be considered county employees. Likewise, for the purpose of this chapter, the county health department shall be considered a county department and its employees shall be considered county employees. Also, likewise, for purpose of this chapter, utility districts shall be considered a county department and its employees shall be considered county employees;

(3) "Ethical standards" shall include rules and regulations regarding limits on, and/or reasonable and systematic disclosure of, gifts or other things of value received by officials and employees that impact or appear to impact their discretion, and

shall include rules and regulations regarding reasonable and systematic disclosure by officials and employees, of their personal interests that impact or appear to impact their discretion. The term “ethical standards” does not include personnel or employment policies or policies or procedures related to operational aspects of governmental entities;

(4) “Municipality” shall mean an incorporated city or town, inclusive of any boards, commissions, authorities, corporations or other instrumentalities appointed or created by the municipality; and

(5) “Officials and employees” means and includes any official, whether elected or appointed, officer, employee or servant, or any member of any board, agency, commission, authority or corporation (whether compensated or not), or any officer, employee or servant thereof, of a county or municipality.

(b) If a board, commission, authority, corporation or other instrumentality is created by two or more local government entities, such creating entities shall, by amendment to the interlocal agreement or other agreement creating such joint instrumentality, designate the ethical standards that govern the jointly created instrumentality.

(c) For the purpose of this chapter, an utility district that serves an area in two (2) or more counties or municipalities shall be governed by the ethical standards established by the county legislative body of the county in which the largest number of customers are served.

(d) For the purpose of this chapter, a county school board and its employees shall be governed by the ethical standards established by the county legislative body or the governing body of a metropolitan or consolidated government. A municipal school board and its employees

shall be governed by the ethical standards established by the municipal governing body. Special school districts shall be considered separate governmental entities and shall be governed by ethical standards established by the board of education of the special school district.

Section _____. Not later than June 30, 2007, the governing body of each entity covered by this chapter shall adopt by ordinance or resolution, as appropriate, ethical standards for all officials and employees of such entity. To the extent that an issue covered by an ethical standard is addressed by a law of general application, public law of local application, local option law, or private act, any ethical standard adopted by a governing body shall not be less restrictive than such laws.

Section _____. Each entity covered by this chapter shall maintain, for public inspection, the ethical standards of such entity and shall cause a copy of the adopted standards to be filed with the Tennessee ethics commission. Any amendments or other modifications to the ethical standards shall also be filed with the commission as soon as practical after adoption by the governing body.

Section _____. The municipal technical advisory service (MTAS) for municipalities and the county technical assistance service (CTAS) for counties, in order to provide guidance and direction, shall disseminate models of ethical standards for officials and employees of such entities. Such models shall be filed with the commission. Any municipality or county that adopts the ethical standards for officials and employees of local government promulgated by MTAS or CTAS is not required to file such policy with the commission but shall notify the commission in writing that the policy promulgated by MTAS or CTAS was adopted and the date such action was taken.

Section _____.

(a) Members of a governing body of an entity covered by this chapter that fails to adopt ethical standards as provided in this chapter

shall be subject to removal from office as provided in Tennessee Code Annotated, Title 8, Chapter 47.

(b) Violations of ethical standards by officials or employees of entities covered by this chapter shall be enforced in accordance with provisions of existing law.

AND FURTHER AMEND by deleting § 3-6-305(b)(10) in Section 33 in its entirety and by substituting instead the following:

(10) Food, refreshments, meals, or beverages that are provided by an employer of a lobbyist in connection with an in-state event to which invitations are extended to an official or officials in the legislative branch or official or officials in the executive branch; provided that:

(A) No employer of a lobbyist may provide food, refreshments, meals, or beverages, the value of which to the official exceeds fifty dollars (\$50.00) per event per day, excluding sales tax and gratuity; nor may such employer of a lobbyist provide any such items to any official pursuant to this subdivision that have a cumulative value of more than one hundred dollars (\$100) to such official during a calendar year;

(B) The value of any such gift may not be reduced below such monetary limitations by dividing the cost of the gift among two (2) or more employers of lobbyists;

(C) This exception to the prohibition in subsection (a) only applies to a member or members of the general assembly if such member or members do not receive a per diem allowance pursuant to §3-1-106, for the day on which the event is held and the member or members do not receive any food, refreshments, meals or beverages that are provided in connection with the in-state event that are not offered or provided to other nonmembers in attendance at such event;

(D) An officer or management employee of each employer of a lobbyist paying for the event shall attend the event. However, a lobbyist shall not be considered to be an officer or management employee of an employer of the lobbyist paying for the event for purposes of this subdivision.

(E) The fifty dollar (\$50.00) and one hundred dollar (\$100.00) amounts in subdivision (10)(A) shall be increased to the nearest five dollar (\$5.00) amount to reflect the percentage of change in the average consumer price index (all items-city average) as published by the United States Department of Labor, Bureau of Labor statistics, every odd-numbered year on January 1 starting in 2007. The ethics commission shall publish the increased amount on its web site; or

AND FURTHER AMEND by adding the following as a new subdivision in § 3-6-305(b)(6) in Section 33 of the bill:

(C) Benefits of participation in events held within the state and sponsored by, or for the benefit of, charitable organizations as defined in § 48-101-501(1) if provided by an employer of a lobbyist to an official in the executive branch or to an official in the legislative branch; provided, that such events must be open to participation by persons other than officials in the executive branch or officials in the legislative branch or such official's immediate family and any benefits received must not be enhanced due to the status of the official in the executive or legislative branch, or provided that invitations are extended to the entire membership of the general assembly.

AND FURTHER AMEND by adding the following language at the end of §3-6-305(b)(8) and (9) in SECTION 33:

The fifty dollar (\$50.00) amount in this subdivision shall be increased to the nearest five dollar (\$5.00) amount to reflect the percentage of change in the average consumer price index (all items-city average) as published by the United States Department of Labor, Bureau of Labor statistics, every odd-numbered year on January 1 starting in 2007. The ethics commission shall publish the increased amount on its web site;

AND FURTHER AMEND by deleting the following language from SECTION 33, § 3-6-305(c):

and if a lobbyist also attends such event and knows or has reason to know that the gift has been provided at the suggestion or direction of the lobbyist; then, within seven (7) days following the event, the lobbyist shall electronically report the following information to the ethics commission:

and by substituting instead the following:

and if a lobbyist also attends such event and knows or has reason to know that such gift has been provided at the suggestion or direction of such lobbyist; then, within seven (7) days following the event, such lobbyist shall electronically report the following information to the ethics commission:

AND FURTHER AMEND by adding the following language as a new, appropriately designated section to SECTION 25:

§ 3-6-2__

(a) An individual who is within the jurisdiction of the commission may file a sworn complaint against any member or employee of the commission alleging a violation of this chapter, including allegations of arbitrary and capricious actions of the commission against such individual. The complaint shall state with specificity such allegation. Such complaint shall be filed with the speaker of the senate and the speaker of the house of representatives. Each speaker shall, after determining that there are sufficient grounds for review, appoint three (3) members of their respective bodies to a special joint committee which shall investigate the complaint. The speakers' appointments are subject to a two-thirds (2/3) vote of approval by the appointee's house. If the general assembly is not in session when such appointments are made, the members shall serve on the special joint committee unless and until an appointment is rejected by resolution of the appointee's house within thirty (30) days after the general assembly convenes following such appointment, provided that no approval vote shall be necessary if the special joint committee has completed its investigation and made a final determination. Any action taken by a special joint committee prior to a vote of rejection made within

such thirty (30) day period shall be deemed valid and binding. The special joint committee shall appoint a chair and other officers deemed necessary.

(b) If the special joint committee finds insufficient evidence to establish probable cause to believe a violation has occurred, it shall dismiss the complaint.

(c) If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chair thereof shall transmit such findings to the governor who shall convene a meeting of the governor, the speaker of the senate and the speaker of the house of representatives to take such final action on the complaint as they shall deem appropriate consistent with penalties imposed pursuant to this chapter, including recommendations for removing the member or members of the commission from office and declaring the office vacant.

(d) Upon request of a majority of the governor, the speaker of the senate and the speaker of the house of representatives, the special joint committee shall submit a recommendation as to what penalty, if any should be imposed.

AND FURTHER AMEND by adding the following new section and by redesignating remaining sections accordingly:

Section ____.

(a) The director of legislative administration shall cause to be posted on the official general assembly web site a report, by member, that contains the per diem payments made to members of the general assembly and all other expenses, including out-of-state travel, reimbursed in accordance with the provisions of Tennessee Code Annotated, §3-1-106. The report shall include the purpose of the reimbursement made. The initial report shall be filed no later than fifteen (15) days following the last day of April, 2006, and shall include all payments made from the first day of January, 2006, until the last day of March, 2006. Thereafter, such report shall then be updated quarterly, no later than fifteen (15) days following the end of the quarter. Such reports shall remain on the web site until one month following the end of each general assembly. The last quarter reported in each general assembly shall include the period of time from

the last quarter reported until the regular November election and the first report in each general assembly shall include the period of time from the regular November election until the end of the first quarter.

(b) The commissioner of finance and administration shall cause to be posted on the official web site of the state a report that contains all out-of-state travel and expense reimbursements made to the governor, any member of the governor's cabinet, and cabinet level staff in accordance with the comprehensive travel regulations of the state or any policy of the governor; provided, however, information shall not be posted if the out-of-state travel occurred for the purpose of recruiting industry or economic development in the state and the information, in the judgment of the commissioner, has the potential to harm contract negotiations or otherwise place the state at a competitive disadvantage in seeking industrial or economic development opportunities. The report shall include the purpose of the reimbursements made and shall be reported by person reimbursed. The initial report shall be filed no later than fifteen (15) days following the last day of April, 2006, and shall include all payments made from the first day of January, 2006, until the last day of March, 2006. Thereafter, such report shall then be updated quarterly, no later than fifteen (15) days following the end of the quarter. Such reports shall remain on the web site until one month following the end of the governor's term of office. The last quarter reported in each such term shall include the period of time from the last quarter reported until the regular November election at which the next governor will be elected and the first report in each governor's term shall include the period of time from the regular November election until the end of the first quarter.

AND FURTHER AMEND By adding the following new section to be appropriately numbered and by renumbering remaining sections accordingly:

SECTION ____.

(a) The general assembly recognizes that the library and archives division of the office of the secretary of state currently records or causes to be recorded, audio of all house and senate floor sessions, all house and senate standing committee meetings,

oversight meetings and some sub-committee meetings. The general assembly further recognizes that audio of those sub-committee meetings held in the legislative plaza which are not recorded by the office of the secretary of state are recorded or caused to be recorded by staff of the general assembly and provided to the division of library and archives in the office of the secretary of state. It is the intent of the general assembly that this practice shall continue, and the secretary of state shall expand recording operations to fully record the proceedings of the general assembly and its committees and subcommittees.

(b) The general assembly recognizes that staff of the general assembly currently posts on the official web site of the general assembly the final action votes taken on legislation by standing committees and sub-committees. It is the intent of the general assembly that this practice shall continue.

(c) The general assembly recognizes that instructions on how to look up final action votes on legislation for the house and senate, for standing committees and sub-committees is posted on the official general assembly web site. It is the intent of the general assembly that this practice shall continue. It is the further legislative intent that house and senate final action floor votes on legislation recorded by the electronic voting system shall be posted to the official general assembly web site in journal form or other appropriate form in a timely fashion, taking into consideration cross checks for accuracy that must be completed to ensure accuracy prior to such posting.

(d) The 104th general assembly must recognize that the appellate courts of Tennessee, in specifically considering the open meetings law, have unequivocally ruled that Article II, Section 12 of the Constitution of the State of Tennessee prevents this or any other general assembly from statutorily binding a future general assembly on rules of proceedings. Therefore, this general assembly must truthfully acknowledge that the provisions of this section can be legally binding only for the duration of the 104th general assembly. However, each future general assembly is strongly encouraged and

vigorously urged to adopt rules incorporating provisions no less stringent than the provisions of this section.

AND FURTHER AMEND By designating the existing language of Section 29 as subsection (a) and by adding the following new subsection (b):

(b) The general assembly, by rule, shall establish a method by which members may declare a potential personal interest in legislation. The personal interest of the member shall be distinguished in such rule from the personal interest of a spouse, sibling or child of such member. The rule shall also distinguish a personal interest from an interest derived from membership in a class, such as occupation or membership in an organization. The 104th general assembly must recognize that the appellate courts of Tennessee, in specifically considering the open meetings law, have unequivocally ruled that Article II, Section 12 of the Constitution of the State of Tennessee prevents this or any other general assembly from statutorily binding a future general assembly on rules of proceedings. Therefore, this general assembly must truthfully acknowledge that the provisions of this section can be legally binding only for the duration of the 104th general assembly. However, each future general assembly is strongly encouraged and vigorously urged to adopt rules incorporating provisions no less stringent than the provisions of this section.

AND FURTHER AMEND by adding the following language as a new, appropriately designated section:

SECTION __. Tennessee Code Annotated, Section 8-50-501(d), is amended by adding the following language as a new subdivision (3):

(3) Notwithstanding the provisions of subdivision (1), any disclosure filed pursuant to this part by a member of the general assembly, the secretary of state, the comptroller of the treasury, the state treasurer, the governor, or an officer of the governor's cabinet shall be posted on the web site of the commission.

AND FURTHER AMEND by adding the following new section to be appropriately numbered and by renumbering remaining sections accordingly:

SECTION _____. Tennessee Code Annotated, Section 4-29-229(a), is amended by adding a new subdivision thereto, as follows:

() Tennessee ethics commission, created by Section 3-6-103;

AND FURTHER AMEND by deleting from §3-1-118(a) in Section 38 the language "and public business is deliberated or decided" and by substituting instead the language "and business within the jurisdiction of such body is being deliberated and decided".

AND FURTHER AMEND by adding the following as a new, appropriately designated section to the bill:

SECTION _____. Tennessee Code Annotated, Section 2-10-127(d), is amended by deleting subdivision (1) and substituting instead the following:

(1) A person subject, to the prohibition in § 2-10-123(a), shall declare before taking a legislative or administrative action on any matter "It may be considered that I have a degree of personal interest in the subject matter of this bill or action, but I declare that my argument and my ultimate vote answer only to my conscience and to my obligation to my constituents and the citizens of the state of Tennessee" if:

(A) Such person is employed by a business entity that employs a lobbyist and such lobbyist is employed by such business entity to lobby such legislative or administrative action; or

(B) Such matter is lobbied by a sibling, spouse or child of the person subject to the prohibition in §2-10-123(a).

AND FURTHER AMEND by adding the following as a new, appropriately designated section to the bill:

SECTION _____. Tennessee Code Annotated, Title 3, Chapter 1, is amended by adding the following sections as a new, appropriately designated part thereto:

Section_____. This part shall be known and may be cited as the "Tennessee General Assembly Uniform Nepotism Policy Act of 2006".

Section_____. As used in this part, unless the context otherwise requires: "relative" means a parent, foster parent, parent-in-law, child, spouse, brother, foster brother,

sister, foster sister, grandparent, grandchild, son-in-law, brother-in-law, daughter-in-law, sister-in-law, or other family member who resides in the same household.

Section _____. Within the general assembly, no employees who are relatives shall be placed within the same direct line of supervision whereby one (1) relative is responsible for supervising the job performance or work activities of another relative; provided, that to the extent possible, the provisions of this part shall not be construed to prohibit two (2) or more such relatives from working within the general assembly.

Section _____. When as a result of a marriage, general assembly employees are in violation of the prohibition established this part, such violation shall be resolved by means of a transfer within the general assembly, transfer to another governmental entity, or resignation as may be necessary to remove such violation. The director of legislative administration shall advise the employees of each of the alternatives available to remove such violation. Such employees shall be given the opportunity to select among such available alternatives. If such employees are unable to agree upon any such alternative within sixty (60) days, then the speaker of the house of representatives, the speaker of the senate, both speakers acting jointly or the joint legislative services committee shall take appropriate action to resolve such violation.

Section _____. The prohibition established by this part shall not be applied retroactively, but shall be adhered to by the general assembly in all hiring and employee transactions subsequent to the Tennessee General Assembly Uniform Nepotism Policy Act of 2006 becoming law.

AND FURTHER AMEND by adding the following as a new, appropriately designated section to the bill:

SECTION _____. Tennessee Code Annotated, Section 8-35-124(a), is amended by adding the following new subdivision at the end thereof:

(3) Notwithstanding any other law to the contrary, each time a person is elected to a public office of this state or any political subdivision thereof, such person shall, as a condition of such election, be deemed to consent and agree to the forfeiture of such

person's retirement benefits from the Tennessee consolidated retirement system, any superseded retirement system or any other public pension system if such person is convicted in any state or federal court of a felony arising out of that person's official capacity, constituting malfeasance in office. Notwithstanding the provisions of § 8-35-124(e) or any other law to the contrary, this subdivision (a)(3) shall apply regardless of the date the person became a member of the public pension system, such person having consented to the provisions of this subsection as a condition of such election.

If the provisions of this SECTION are declared to be invalid by a court of competent jurisdiction, and such determination has become final, then the former provisions of § 8-35-124, as such section existed immediately prior to the effective date of this act, shall be revived and be in full force and effect as if such provisions had remained in full force and effect at all times. Notwithstanding any provision of this act to the contrary, the provisions of this SECTION shall take effect upon becoming law, the public welfare requiring it.